

**Access Billing**

ILEC's / CLEC's
Meet Point Billing
Switched Access
Special Access
Other Billing Arrangements

Cost Consulting

Separations
Allocations
Accounting
Depreciation
Special Studies

Management Consulting

Regulatory Issues
Earnings Analysis
Tax Planning
Other Customized Services

October 10, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

**Re: WC Docket Nos. 10-90 and 11-42
2013 FCC Form 481 Annual Report
Study Area Code: 150081**

Dear Ms. Dortch:

On behalf of Citizens Telephone Company of Hammond, NY, ACM, Inc., as the company's authorized representative, files the enclosed FCC Form 481 Carrier Annual Reporting Data Collection Form, as required by 47 C.F.R. § 54.313 and 54.422.

The FCC Form 481 has been submitted to USAC via its e-file system and copies of that submission are being provided to the FCC and state commission.

Please contact me at (518) 374-2552 if you have any questions regarding this filing.

Sincerely,

Jerry Legg
Senior Consultant
ACM, Inc.

jerry1@acm-costconsulting.com

120 Erie Boulevard, Schenectady, NY 12305

Access Billing: Phone (518) 374-5720 / Facsimile (518) 374-7511 / www.acm-accessbilling.com

Consulting: Phone (518) 374-2552 / Facsimile (518) 374-7511 / www.acm-costconsulting.com

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	150081
<015> Study Area Name	CITIZENS HAMMOND NY
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Jerry Legg
<035> Contact Telephone Number: Number of the person identified in data line <030>	518-374-2552
<039> Contact Email Address: Email of the person identified in data line <030>	jerry1@acm-costconsulting.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
(check box when complete)				
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<440> Fixed				
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="150081ny510"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="150081ny610"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="text"/>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

-- See attached worksheet --

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryrl@acm-costconsulting.com

1/1/2013	
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-- See attached worksheet	
--	

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryll@acm-costconsulting.com

-- See attached worksheet --

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150081
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com
<810>	Reporting Carrier	Citizens Telephone Company of Hammond, NY
<811>	Holding Company	
<812>	Operating Company	Citizens Telephone Company of Hammond, NY

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
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<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150081
<015>	Study Area Name	CITIZENS HAMMOND NY
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	150081
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<020>	Program Year	2014
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	150081ny1210
		Name of attached document (.pdf)
<1220>	Link to Public Website	HTTP www.cit-tele.com

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	150081
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jerryl@acm-costconsulting.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

☐
☐
☐
☐

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150081
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<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010)	Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}		<input checked="" type="checkbox"/> (Yes/No)
(3014)	If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input checked="" type="checkbox"/>
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	150081ny3017
(3018)	If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :		<input type="checkbox"/> (Yes/No)
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3020)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3022)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3023)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	150081
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035>	Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039>	Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	CITIZENS HAMMOND NY
Signature of Authorized Officer:	CERTIFIED ONLINE
	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	150081
Filing Due Date for this form:	10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	150081
<015> Study Area Name	CITIZENS HAMMOND NY
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Jerry Legg
<035> Contact Telephone Number - Number of person identified in data line <030>	518-374-2552
<039> Contact Email Address - Email Address of person identified in data line <030>	jerry1@acm-costconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Jerry Legg</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Jerry Legg</u>
Name of Reporting Carrier:	<u>CITIZENS HAMMOND NY</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>10/08/2013</u>
Printed name of Authorized Officer:	<u>Mark DePerrior</u>
Title or position of Authorized Officer:	<u>Controller</u>
Telephone number of Authorized Officer:	<u>315-324-5911</u>
Study Area Code of Reporting Carrier:	<u>150081</u> Filing Due Date for this form: <u>10/15/2013</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>CITIZENS HAMMOND NY</u>
Name of Authorized Agent or Employee of Agent:	<u>Jerry Legg</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>10/08/2013</u>
Printed name of Authorized Agent or Employee of Agent:	<u>Jerry Legg</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Senior Consultant</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>518-374-2552</u>
Study Area Code of Reporting Carrier:	<u>150081</u> Filing Due Date for this form: <u>10/15/2013</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Service Quality Standards & Consumer Protection Rules Compliance
FCC Form 481, Line 510

The company complies with applicable service quality standards and consumer protections by (1) maintaining and submitting monthly trouble report data to the New York State Public Service Commission (“NYPSC”); (2) reporting major service interruptions to the NYPSC in a manner consistent with its guidelines; (3) filing local service tariffs with the NYPSC and making rate and service information available to the public upon request; (4) clearly listing all charges and credits on customers’ bills; (5) providing full and prompt investigation of, and response to, customer complaints; (6) providing access to enhanced 911 emergency report centers; (7) participating in statewide system for the hearing impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC’s guidance on measures to detect/prevent identity theft (Red Flag).

The company received a commendation from the NYPSC in recognition of its high quality of telephone service in 2012.

Citizens Telephone Company of Hammond, NY, Inc.

**Functionality in Emergency Situations
FCC Form 481, Line 610**

The company has battery and generator backup facilities to ensure a reasonable amount of back-up power exists to provide functionality without an external power source during emergency conditions.

There is route diversity within the exchange so that traffic can be rerouted around damaged facilities. The company has two diverse toll routes so the traffic also has diversity to the meet points.

The company works with long distance carriers to manage traffic spikes resulting from emergency situations.

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
Second Revised Page 3
Superseding First Revised Page 3

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

1. Lifeline Telephone Service Options

a. Description

1. Lifeline Discounted Service

This service provides a flat rate federal discount of \$9.25, consisting of a \$6.50 reduction of the Federal Subscriber Line Charge and a \$2.75 reduction in the monthly rate for local exchange telephone service for residential customers. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company.

+

(C)

+

1 A. Additional Lifeline Discount

This service provides the discount as outlined in A.1.a.1 above and may provide an additional discount equal to the serving company's increase in residential basic local exchange service, as authorized by the NYS Department of Public Service in Case No. 07-C-0349, released March 4, 2008, whereby the NY Commission authorized certain companies to increase basic local service rates up to \$2.00 per year for 2 years. The discount can be found on Addendum 1 of the individual Company tariff for those companies offering the Additional Lifeline Discount.

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 3.1
Superseding Original Page 3.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

+

(D)

+

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4
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SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

1. Lifeline Telephone Service Options (cont'd)

b. General

Qualified customers may choose to apply the federal Lifeline credit to any of the company's local service offerings, including any local bundled service offering, basic local service, or message rate service. Message rate Lifeline service is available only where central office facilities permit.

For connection of new service, service connection charges apply unless the customer qualifies for connection assistance under the Tribal Lands Link Up program.

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Service connection charges do not apply to change existing service from:

(C)

1. Message or flat rate services to Lifeline service.

2. Lifeline service to non-Lifeline services.

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Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

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SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations

- a. These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in § 54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following Entitlement Programs: (C)
1. Medicaid; (C)
 2. Supplemental Nutrition Assistance Program (SNAP) F/K/A Food stamps;
 3. Supplemental Security Income;
 4. Federal Public Housing Assistance (Section 8);
 5. Low-Income Home Energy Assistance Program (LIHEAP);
 6. National School Lunch Program's free lunch program;
 7. Temporary Assistance for Needy Families/SafetyNet; (C)
 8. Veterans Disability Pension
 9. Veterans Surviving Spouse Pension

*Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC
Docket No. 96-45, WC Docket No. 12-23*

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
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SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations (cont'd)

b. The Lifeline discount is effective upon receipt of a completed form of eligibility. If the form is not returned, no further action is taken by the Company to establish eligibility.

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c. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified, on an annual basis. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If, a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. The customer will be billed for discounts received for the time that they were proven to be ineligible for the service.

(C)

3. Locality Charge Waiver

Customers receiving Lifeline Telephone Service will have applicable locality charges waived each month while they are receiving the Lifeline Assistance.

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4. Voluntary Toll Blocking (Restriction)

Customers receiving Lifeline service can voluntarily request and receive toll blocking (call restriction), third number billing/collect call restriction without a monthly charge. There will be no record order charge to add these types of restrictions (blocking).

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

Company Name: Citizens Telephone Company of Hammond, NY, Inc.
Calendar Year: 2012

Lifeline Services Offered by Telephone Company

Service Name	Non-Discounted Rate	Total Minutes Provided	Description of Additional Toll Charges (if any)	Lifeline Rate
Hammond Exch Local Residential Service	\$14.60	flat rate local	not included	\$4.85
Macomb Exch Local Residential Service	\$15.85	flat rate local	not included	\$8.10

Any bundled service that includes local telephone service is also made available to lifeline customers.
The associated price would include the same lifeline discount(s) identified above .

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Citizens Telephone Company of Hammond, New York, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
or detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2012

BORROWER DESIGNATION

NY0529

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

donald ceresolijr

9/19/2013

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	53,354	40,161	25. Accounts Payable	92,755	112,825
2. Cash-RUS Construction Fund	1,305	1,309	26. Notes Payable	222,037	486,544
3. Affiliates:			27. Advance Billings and Payments	11,633	7,834
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable	1,184,988		29. Current Mat. L/T Debt	310,003	240,431
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	16,467	8,289	32. Income Taxes Accrued		
b. Other Accounts Receivable	131,948	141,824	33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	9,830	13,933
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	646,258	861,567
6. Material-Regulated	138,724	146,126	LONG-TERM DEBT		
7. Material-Nonregulated	13,167	13,167	36. Funded Debt-RUS Notes	41,060	
8. Prepayments	119,342	390,425	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes	2,562,215	2,475,710
10. Total Current Assets (1 Thru 9)	1,659,295	741,301	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
1. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development	5,441,978	5,807,267	43. Obligations Under Capital Lease		
2. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	2,603,275	2,475,710
3. Nonregulated Investments	461,861	601,466	OTHER LIAB. & DEF. CREDITS		
4. Other Noncurrent Assets	1,276,380	2,482,711	47. Other Long-Term Liabilities	2,217,536	2,280,621
5. Deferred Charges			48. Other Deferred Credits	1,519,828	1,045,577
6. Jurisdictional Differences			49. Other Jurisdictional Differences		
7. Total Noncurrent Assets (11 thru 16)	7,180,219	8,891,444	50. Total Other Liabilities and Deferred Credits (47 thru 49)	3,737,364	3,326,198
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
1. Telecom, Plant-in-Service	9,391,306	9,356,413	51. Cap. Stock Outstand. & Subscribed	65,000	65,000
2. Property Held for Future Use			52. Additional Paid-in-Capital		
3. Plant Under Construction	34,471	8,349	53. Treasury Stock	(23,000)	(23,000)
4. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
5. Less Accumulated Depreciation	5,667,980	6,023,549	55. Other Capital	9,359	469,385
6. Net Plant (18 thru 21 less 22)	3,757,797	3,341,213	56. Patronage Capital Credits		
7. TOTAL ASSETS (10+17+23)	12,597,311	12,973,958	57. Retained Earnings or Margins	5,559,055	5,799,098
			58. Total Equity (51 thru 57)	5,610,414	6,310,483
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	12,597,311	12,973,958

Total Equity = 48.64% % of Total Assets

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

NY0529

PERIOD ENDING

December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	225,140	211,631
2. Network Access Services Revenues	1,335,720	1,412,600
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	58,422	27,179
5. Miscellaneous Revenues	8,918	4,308
6. Uncollectible Revenues		17,914
7. Net Operating Revenues (1 thru 5 less 6)	1,628,200	1,637,804
8. Plant Specific Operations Expense	483,274	489,823
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	138,278	131,536
10. Depreciation Expense	456,104	359,040
11. Amortization Expense		
12. Customer Operations Expense	143,090	154,536
13. Corporate Operations Expense	521,162	509,421
14. Total Operating Expenses (8 thru 13)	1,741,908	1,644,356
15. Operating Income or Margins (7 less 14)	(113,708)	(6,552)
16. Other Operating Income and Expenses		
17. State and Local Taxes	97,550	80,650
18. Federal Income Taxes	(121,800)	(95,128)
19. Other Taxes		
20. Total Operating Taxes (17+18+19)	(24,250)	(14,478)
21. Net Operating Income or Margins (15+16-20)	(89,458)	7,926
22. Interest on Funded Debt	147,093	157,204
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	147,093	157,204
27. Nonoperating Net Income	295,487	317,991
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	7,137	54,639
31. Total Net Income or Margins (21+27+28+29+30-26)	66,073	223,352
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	5,492,982	5,559,055
34. Miscellaneous Credits Year-to-Date		16,691
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	5,559,055	5,799,098
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	325,487	325,487
45. Cash Ratio [(14+20-10-11) / 7]	0.7748	0.7759
46. Operating Accrual Ratio [(14+20+26) / 7]	1.1453	1.0911
47. TIER [(31+26) / 26]	1.4492	2.4208
48. DSCR [(31+26+10+11) / 44]	2.0562	2.2723

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

NY0529

INSTRUCTIONS – See help in the online application.

PERIOD ENDED

December, 2012

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
2. Net Income	54,659
CASH FLOWS FROM OPERATING ACTIVITIES	
3. Add: Depreciation	223,352
4. Add: Amortization	
5. Other (Explain)	359,040
	0
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	1,183,290
8. Decrease/(Increase) in Prepayments and Deferred Charges	(7,402)
9. Decrease/(Increase) in Other Current Assets	(271,083)
10. Increase/(Decrease) in Accounts Payable	0
11. Increase/(Decrease) in Advance Billings & Payments	20,070
12. Increase/(Decrease) in Other Current Liabilities	(3,799)
13. Net Cash Provided/(Used) by Operations	4,103
CASH FLOWS FROM FINANCING ACTIVITIES	
4. Decrease/(Increase) in Notes Receivable	1,507,571
5. Increase/(Decrease) in Notes Payable	
6. Increase/(Decrease) in Customer Deposits	0
7. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	264,507
3. Increase/(Decrease) in Other Liabilities & Deferred Credits	0
3. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	(197,137)
1. Less: Payment of Dividends	(411,166)
Less: Patronage Capital Credits Retired	460,026
Other (Explain)	0
miscellaneous credits to retained earnings	0
	16,691
Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Capital Expenditures (Property, Plant & Equipment)	132,921
Other Long-Term Investments	
Other Noncurrent Assets & Jurisdictional Differences	61,015
Other (Explain)	(504,894)
Cost of removal	(1,206,331)
	(3,471)
Net Cash Provided/(Used) by Investing Activities	
Net Increase/(Decrease) in Cash	(1,653,681)
Ending Cash	(13,189)
	41,470

Revision Date 2010